

NOTICE OF FILING AND PUBLIC HEARING

D.T.E. 03-37

April 11, 2003

Petition of Bay State Gas Company, pursuant to G.L. c. 164, § 94A, for approval of a Precedent Agreement and related Letter Agreement governing Bay State's acquisition of capacity associated with Algonquin Gas Transmission Company's new Hubline Project.

On March 25, 2003, Bay State Gas Company ("Bay State") filed with the Department of Telecommunications and Energy ("Department") a Precedent Agreement ("Agreement") between Bay State and Algonquin Gas Transmission Company ("Algonquin") and related Letter Agreement which purport to govern Bay State's acquisition of capacity associated with Algonquin's Hubline Project. The Agreement covers a period in excess of one year and is therefore subject to the Department's jurisdiction under G.L. c. 164, § 94A. This case has been docketed as D.T.E. 03-37.

Bay State asserts that following the issuance of request for proposals ("RFP") seeking incremental winter capacity to satisfy growing requirements in Bay State's Brockton Division, it entered into the Agreement with Algonquin for incremental capacity on the Hubline Project. Bay State's agreement with Algonquin is governed by a Precedent Agreement and a related Letter Agreement. Pursuant to the Agreement, commencing November 1, 2003, the anticipated in-service date of the Hubline Project, Bay State will receive firm transportation service from Algonquin under rate Schedule AFT-1 for a primary term of ten (10) years, an MDTQ of 20,000 Dth/day, with a primary receipt point at Beverly, Massachusetts and a primary delivery point at Sharon, Massachusetts. The rate for such service has been negotiated. Pursuant to G.L. c. 164, § 94A, the Agreement contains a provision subjecting it to Department review and approval.

The Department will conduct a public hearing to receive comments on Bay State's filing. The hearing will take place on Friday, May 9, 2003, at 10:00 a.m. at the Department's offices, One South Station - 2nd Floor, Boston, Massachusetts 02110. A procedural conference will take place immediately following the public hearing. Any person who desires to comment

may do so at the time and place noted above or submit written comments to the Department not later than the close of business (5:00 p.m.) on Thursday, May 8, 2003.

Any person who desires to participate in the evidentiary phase of this proceeding must file a written petition for leave to intervene with the Department not later than the close of business on Thursday, May 1, 2003. A petition for leave to intervene must satisfy the timing and substantive requirements of 220 C.M.R. § 1.03. Receipt by the Department, not mailing, constitutes filing and determines whether a petition has been timely filed. A petition filed late may be disallowed as untimely, unless good cause is shown for waiver under 220 C.M.R. § 1.01(4). To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

An original and three (3) copies of all written comments or petitions to intervene must be filed with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy - One South Station - 2nd Floor, Boston, Massachusetts 02110 not later than the close of business on the dates noted above. One copy of all written comments or petitions to intervene should also be sent to Bay State's attorney, Maribeth Ladd, Esq., Rubin and Rudman LLP, 50 Rowes Wharf, Boston, Massachusetts 02110-3319.

All written comments or petitions to intervene also should be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dte.efiling@state.ma.us and julie.westwater@state.ma.us; or (2) on a 3.5" disk, IBM-compatible format. The text of the e-mail or the disk label must specify: (1) an easily identifiable case caption; (2) the docket number of the proceeding (D.T.E. 03-37); (3) name of the person or company submitting the filing; and (4) a brief descriptive title or document (e.g., comments). The electronic filing should also include the name, title and phone number of a person to contact in the event of questions about the filing. Text responses should be written in either Word Perfect (naming the document with a ".wpd" suffix) or in Microsoft Word, (naming the document with a ".doc" suffix). Data or spreadsheet responses should be compatible with Microsoft Excel. Documents submitted in electronic format will be posted on the Department's Website, <http://www.mass.gov/dpu>.

A copy of Bay State's filing may be inspected at the Department's offices during normal business hours (Monday through Friday, 9:00 a.m. to 5:00 p.m.). Copies are also on file for public viewing at the offices of Bay State Gas Company, 300 Friberg Parkway, Westborough, Massachusetts, 01581-5039. Any person desiring further information regarding the Bay State's Filing should contact Maribeth Ladd, Esq., counsel for Bay State, at (617) 330-7000.

ORDER OF NOTICE

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Bay State Gas Company shall, no later than fourteen (14) days prior to May 9, 2003, give notice of said hearing by publication hereof in the Boston Globe or Boston Herald, the Lawrence Eagle Tribune, the Enterprise (Brockton) and the Springfield Union News. Bay State Gas Company is required to make return of service and proof of publication at the time of the hearing.

By Order of the Department,

Mary L. Cottrell, Secretary